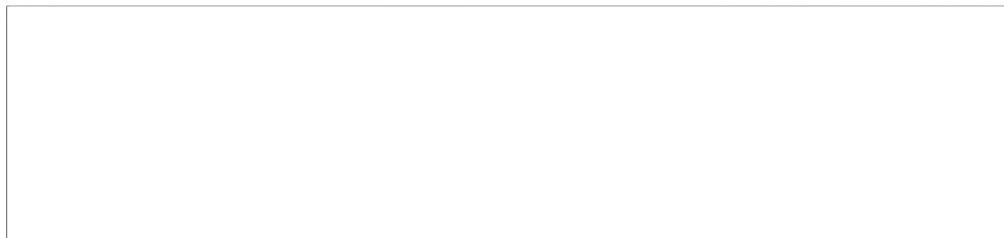


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EXDIS

E.O. 12356: DECL: DADR
TAGS: OREP (GOLDWATER, BARRY M.), PGOV, RP, TW, MASS
SUBJECT: CALL ON PRIME MINISTER LEE BY SENATOR GOLDWATER

REF: (A) SINGAPORE 108; (B) 85 STATE 387323

1. (C - ENTIRE TEXT.)

2. SUMMARY. DURING SENATOR GOLDWATER'S CALL ON PRIME MINISTER LEE KUAN YEW JANUARY 9, THE MAIN TOPICS DISCUSSED WERE THE SITUATION IN THE PHILIPPINES, PROSPECTS FOR TAIWAN, AND (BRIEFLY) REGIONAL SECURITY CONSIDERATIONS. LEE CREDITED THE BRITISH POLICY OF GRADUAL WITHDRAWAL FROM THE REGION AND THE US INTERVENTION IN VIETNAM WITH HELPING TO MAKE SINGAPORE'S SUCCESS POSSIBLE. IN DISCUSSING THE PHILIPPINES, LEE BLUNTLY CHARACTERIZED MARCOS AS HAVING LOST THE ABILITY TO SOLVE THE PROBLEMS CONFRONTING THAT COUNTRY, MANY OF WHICH WERE OF HIS OWN MAKING. HE CITED THE WRITINGS OF AUSTRALIAN JOURNALIST DENNIS WARNER TO DEMONSTRATE THE DEGREE TO WHICH THE NEW PEOPLE'S ARMY (NPA) HAD EXPANDED ITS CONTROL. HE DID NOT CONSIDER THE PHILIPPINE SITUATION COMPARABLE TO THAT IN IRAN, SINCE MARCOS RETAINED GREAT POWER BUT WAS NOT USING IT TO GOOD PURPOSE. SENATOR GOLDWATER NOTED HIS DISSATISFACTION WITH US TREATMENT OF TAIWAN AND SAID HE INTENDED TO URGE THE PRESIDENT TO SELL MORE MODERN MILITARY EQUIPMENT TO TAIWAN. LEE FELT THAT WHILE TAIWAN'S FUTURE WAS NOT ENTIRELY DEPENDENT ON FACTORS UNDER ITS OWN CONTROL, THE IMPORTANT THING WAS TO KEEP THE ECONOMY GOING AND TO MAINTAIN THE BALANCE BETWEEN THE TAIWANESE AND MAINLANDERS. BOTH AGREED THAT PRESIDENT CHIANG CHING-KUO HAD MOVED EFFECTIVELY TO INTEGRATE TAIWANESE INTO THE CENTRAL ESTABLISHMENT. IN RESPONSE TO SENATOR GOLDWATER'S COMMENT ON THE

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STRATEGIC IMPORTANCE OF THE STRAIT OF MALACCA AND THE INDIAN OCEAN, LEE OBSERVED THAT THE REGION WAS NOT AS PEACEFUL AS IT SOMETIMES SEEMED TO BE. HE AGAIN COMPLIMENTED THE BRITISH ON THE INTELLIGENCE WITH WHICH THEY HAD HANDLED THEIR WITHDRAWAL, SUCH AS BY LETTING THE US INTO DIEGO GARCIA. LEE EXPRESSED ADMIRATION FOR PRESIDENT REAGAN BUT SAW TOUGH TIMES AHEAD. NOTING THAT SINGAPORE'S ECONOMIC SUCCESS HAD MADE IT MORE DEPENDENT ON EXTERNAL FACTORS, LEE FELT THE WORLD NEEDED REGIONAL SERVICE CENTERS LIKE SINGAPORE. END SUMMARY.

3. SENATOR BARRY GOLDWATER, ACCOMPANIED BY LT. GENERAL (RET) WILLIAM QUINN AND THE AMBASSADOR, CALLED ON PRIME MINISTER LEE KUAN YEW AT THE ISTANA JANUARY 9. MISS KANG SIEW KHENG, MFA COUNTRY OFFICER FOR THE UNITED STATES, SAT IN AS NOTE TAKER ON THE SINGAPORE SIDE.

4. AFTER NOTING THAT THIS WAS HIS FIRST VISIT TO SINGAPORE, SENATOR GOLDWATER COMPLIMENTED THE PRIME MINISTER ON WHAT HE HAD ACCOMPLISHED. THE PRIME MINISTER REPLIED THAT THIS WOULD NOT HAVE BEEN POSSIBLE IF OTHER FUNDAMENTAL FORCES HAD NOT BEEN AT WORK. THESE INCLUDED: (1) THE DELIBERATE BRITISH POLICY OF GRADUALLY REMOVING ITS FORCES FROM SINGAPORE, WHICH GAVE THE COUNTRY TIME TO ADJUST; AND (2) THE US INTERVENTION IN VIETNAM, WITHOUT WHICH THE REGION MIGHT HAVE FALLEN.

5. SENATOR GOLDWATER COMMENTED THAT WHILE IT MIGHT NOT BE POPULAR TO SAY THIS IN SOME QUARTERS, AFTER TAKING ITS STAND IN VIETNAM, THE UNITED STATES HAD NOT LET IT BE SUCCESSFUL. PM LEE SAID THAT THERE COULD BE A BIG DEBATE ON THAT QUESTION. SENATOR GOLDWATER SAID THAT IN FACT THE DEBATE HAD ALMOST ENDED. HE FELT STRONGLY THAT THE US CONCEPT OF CIVILIAN CONTROL OVER THE MILITARY WAS OKAY IN PEACE TIME, BUT IN WAR THE MAN IN UNIFORM SHOULD BE LEFT ALONE. PICKING UP ON THIS LAST POINT, PM LEE COMMENTED THAT IF MRS. THATCHER HAD INTERFERED WITH HER ADMIRALS, THE WAR IN THE FALKLANDS MIGHT HAVE BEEN LOST AND GENERAL GALTIERI MIGHT STILL BE IN CHARGE

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IN ARGENTINA.

SITUATION IN THE PHILIPPINES

6. TURNING TO THE PHILIPPINES, SENATOR GOLDWATER SAID THAT HE KNEW PRESIDENT MARCOS AND HAD THE FEELING THAT EVEN IF MARCOS LOST THE ELECTION, HE WOULD STILL RUN THE COUNTRY. PM LEE SAID THE SITUATION IN THE PHILIPPINES WAS NASTY AND ALMOST IN A DEADLOCK POSITION. IN HIS VIEW MARCOS NO LONGER HAD THE POLITICAL STRENGTH TO COPE WITH THE PROBLEMS IN THE PHILIPPINES, MANY OF WHICH HE HAD CREATED. NOTING THAT HE HAD BEEN A GOOD FRIEND OF MARCOS, PM LEE SAID IT WOULD BE FOOLISH TO BELIEVE THAT HE STILL HAD THE MORAL AUTHORITY REQUIRED TO CLEAN UP THE MESS. NOR DID HE HAVE THE ENERGY. IN FACT, THE PM COMMENTED, HE SEEMED EVEN TO LACK THE ENERGY TO PUT ON A GOOD ELECTORAL ACT.

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7. PM LEE SAID THAT MANY OF THE PROBLEMS NOW CONFRONTING THE PHILIPPINES SHOULD NOT HAVE ARISEN. THE PHILIPPINES WAS NOT A POOR, IMPOVERISHED COUNTRY. THERE WAS A GREAT DEAL OF TALENT THERE. IN THE FIRST FW YEARS AFTER DECLARING MARTIAL LAW, MARCOS HAD DONE A GOOD JOB IN CLEANING UP THE PLACE, BUT AFTER THAT HE HAD ALLOWED HIS FRIENDS TO LOOT THE COUNTRY. HIS WAY OF GOVERNING NOW REQUIRED A FLOW OF FUNDS OUTSIDE OF OFFICIAL REVENUES.

8. SENATOR GOLDWATER ASKED THE PM FOR HIS VIEWS ON WHO MIGHT SUCCEED MARCOS. LEE SAID PERHAPS MRS. MARCOS AND GENERAL VER, BUT THEY WOULD NOT BE ABLE TO HOLD THE COUNTRY TOGETHER. WHILE THERE WAS NO VICE PRESIDENT AT THE MOMENT, MARCOS WOULD HAVE TOLENTINO IN THAT POSITION IF HE WON THE ELECTION, WHICH WOULD BE AN IMPROVEMENT.

9. SENATOR GOLDWATER OBSERVED THAT ONE OF THE PROBLEMS IN THE PHILIPPINES WAS THE LARGE NUMBER OF ISLANDS MAKING UP THE COUNTRY. PM LEE AGREED BUT NOTED THAT INDONESIA HAD EVEN MORE ISLANDS. SUCH FACTORS WERE JUST USED AS EXCUSES. THE MAJOR FLAW WAS THE LEGACY OF SPANISH CULTURE. THERE WAS NO SENSE OF TRUSTEESHIP ON THE PART OF THE PEOPLE AT THE TOP, NO SENSE THAT THEY WERE MANAGING THE ASSETS OF THE COUNTRY IN THE INTEREST OF THOSE IN THEIR CHARGE.

10. SENATOR GOLDWATER SAID THE UNITED STATES WAS PLEASED THAT BOTH SIDES IN THE PHILIPPINE ELECTIONS HAD NOW SAID THAT THE US COULD RETAIN ITS BASES. HE WONDERED IF THE OPPPOSITION MEANT WHAT THEY SAID. THE PM SAID THAT AS BEST HE COULD MAKE OUT THE POSITION OF MRS. AQUINO, THE OPPPOSITION WOULD HAVE PREFERRED NOT TO HAVE SAID ANYTHING ON THE BASES BUT JUST TO HAVE CARRIED ON.

11. THE PM NOTED THAT THE LEFT IN THE PHILIPPINES HAD EMERGED WITHIN THE LAST TEN YEARS, WITH THE SITUATION BECOMING MORE AGGRAVATED IN THE LAST TWO OR THREE YEARS. SENATOR GOLDWATER ASKED WHETHER THERE HAD BEEN LARGE SCALE COMMUNIST INFILTRATION INTO THE PHILIPPINES. THE PM SAID THAT HE HAD NO EVIDENCE OF THIS PERSONALLY. HOWEVER, HE HAD SOME FRIENDS FROM VIETNAMESE DAYS WHO WERE FOLLOWING THE SITUATION MORE CLOSELY. ONE OF THESE WAS DENNIS WARNER, THE AUSTRALIAN JOURNALIST, WHO WAS NOT AN ALARMIST BY NATURE OR INCLINATION. WARNER NOW WROTE FOR THE PACIFIC DEFENCE REVIEW IN AUSTRALIA. WARNER PORTRAYED THE SITUATION IN THE PHILIPPINES AS VERY BAD, WITH THE NPA NOW IN THE POSITION TO LEVY TAXES IN AREAS UNDER ITS CONTROL. IN SOME OF THE OUTER ISLANDS IT WAS IMPOSSIBLE TO DO BUSINESS WITHOUT PAYING TRIBUTE TO THE NPA. ALTHOUGH WARNER HAD NOT VISITED

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ALL OF THE PROVINCES IN THE PHILIPPINES, HE ESTIMATED THAT THIS WAS THE SITUATION IN MOST OF THEM.

12. PM LEE SAID THAT MARCOS COULD HAVE LICKED THE SITUATION, BUT HE HAD NOW FORFEITED HIS RIGHT TO

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FURTHER TRUST. IF HE CONTINUED TO GOVERN, THE SITUATION WOULD GET WORSE. HE DID NOT KNOW WHETHER MRS. AQUINO COULD DO BETTER, BUT AT LEAST SHE HAD A CHANCE. SHE WAS NOT BEHOLDEN TO CORRUPT BARONS OR GRANDEES IN THE SPANISH STYLE. IF MARCOS CONTINUED IN POWER IT MEANT A CONTINUATION OF THE LAST TEN YEARS, OR EVEN WORSE OF THE LAST FIVE YEARS.

13. PM LEE SAID THAT SOME PEOPLE LOOKED AT THE SITUATION IN THE PHILIPPINES IN TERMS OF WHAT HAD HAPPENED TO THE SHAH OF IRAN. IN LEE'S VIEW, THE PHILIPPINE SITUATION WAS NOT COMPARABLE TO THAT IN IRAN, WHICH HAD BEEN A PRODUCT OF US POLICY AT THE TIME AND THE SHAH'S ILLNESS. IN THE PHILIPPINES MARCOS WAS IN CHARGE, BUT HE WAS UNDERMINING HIMSELF. MARCOS STILL RETAINED GREAT POWER BUT HE WAS USING IT TO NO PURPOSE. HE WAS NOT MAKING USE OF THE LIMITED TIME LEFT TO HIM. AT ONE TIME LEE HAD THOUGHT THAT MARCOS MIGHT STILL HAVE A SPARK OF PATRIOTISM IN HIM AND MIGHT BE MOTIVATED BY CONCERN OVER THE LEGACY HE WOULD LEAVE BEHIND HIM. BUT MARCOS, ALTHOUGH STILL SKILLED TACTICALLY, SEEMED TO LACK ANY STRATEGIC OBJECTIVE.

14. SENATOR GOLDWATER ASKED WHETHER THE PM HAD HAD THE OPPORTUNITY TO TALK ABOUT THIS WITH MARCOS. LEE SAID THE LAST TIME HE HAD SEEN MARCOS WAS NEARLY TWO YEARS AGO IN BRUNEI, AND THEY HAD ONLY SKIRTED THE ISSUE AT THE TIME.

TAIWAN

15. NOTING THAT HE HAD JUST COME FROM TAIPEI, SENATOR GOLDWATER SAID HE WAS VERY FOND OF TAIWAN, WHICH HE HAD VISITED SEVEN TIMES. HE HAD A LONG ASSOCIATION WITH THE PEOPLE THERE SINCE HE USED TO FLY FOR GENERALISSIMO CHIANG KAI-SHEK. HE WAS NOT HAPPY WITH US TREATMENT OF TAIWAN. IN HIS VIEW THE UNITED STATES SHOULD SELL TAIWAN MORE MODERN MILITARY EQUIPMENT, AND HE INTENDED TO GO BACK AND URGE THE PRESIDENT TO DO THIS, RECALLING THAT PRESIDENT REAGAN HAD CAMPAIGNED VIGOROUSLY ON THE TAIWAN ISSUE IN 1980. HE HAD FOUND THAT PEOPLE IN TAIWAN WERE GREAT FRIENDS AND ADMIRERS OF LEE. LEE SAID THAT THE FUTURE IN TAIWAN DEPENDED ON SOME FACTORS THAT WERE BEYOND THEIR CONTROL AS WELL AS SOME WHICH THEY COULD CONTROL. THE IMPORTANT THING WAS TO KEEP THE ECONOMY GOING AND TO MAINTAIN THE BALANCE BETWEEN THE TAIWANESE AND THE MAINLANDERS. SENATOR GOLDWATER SAID THAT ASPECT WAS NOT A HAPPY SITUATION, BUT IT WAS NOT AS DISASTROUS AS IT COULD BE. WITH EACH ELECTION MORE TAIWANESE WERE ELECTED. LEE SAID THAT PRESIDENT CHIANG CHING-KUO WAS SENSITIVE TO THIS PROBLEM. SINCE HIS FATHER HAD DIED, HE HAD MOVED EXPEDITIOUSLY TO BRING MORE TAIWANESE INTO POSITIONS OF AUTHORITY. BY BRINGING ENOUGH TAIWANESE INTO THE CENTRAL ESTABLISHMENT, THERE WAS A CHANCE THAT A COLLISION OF INTERESTS COULD BE AVOIDED. IF SOME GROUPS BROKE AWAY AND TRIED TO DECLARE INDEPENDENCE THERE COULD BE BIG TROUBLE. SENATOR GOLDWATER DID NOT FEEL THIS WAS LIKELY TO HAPPEN SINCE PRESIDENT CHIANG HAD DONE A GOOD JOB IN THAT AREA. THE NATIVE TAIWANESE DID NOT SEEM TO FAVOR INDEPENDENCE. IN THE UNITED STATES THERE WERE SOMETIMES DEMONSTRATIONS SUPPORTING THIS, BUT THEY WERE ALWAYS BUILT UP OUT OF PROPORTION. LEE SAID THAT PRESIDENT CHIANG HAD BROUGHT TAIWANESE INTO THE CENTER OF POWER SO THAT THEY COULD NOT SAY THAT THEIR VIEWS WERE NOT

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TAKEN INTO CONSIDERATION. IN FACT, IF CHIANG DIED HIS SUCCESSOR WOULD BE A TAIWANESE, A YOUNG AND HEALTHY MAN IN HIS EARLY 60'S. EVEN IF THIS PERSON WOULD ONLY BE CHAIRMAN OF A COMMITTEE, HE WOULD STILL BE THE CHAIRMAN.

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REGIONAL ISSUES

16. SENATOR GOLDWATER COMPLIMENTED THE PM ON THE JOB HE HAD DONE IN DEVELOPING THE ARMED FORCES OF SINGAPORE. THE PM COMMENTED THAT THIS WAS NOT A PEACEFUL PART OF THE WORLD EVEN THOUGH IT LOOKED PEACEFUL AT TIMES. HE FELT THE VIETNAMESE HAD OVER-REACHED THEMSELVES IN CAMBODIA. SENATOR GOLDWATER NOTED THAT THE STRAIT OF MALACCA WAS A STRATEGIC WATERWAY, AND THE INDIAN OCEAN WAS ONE OF THE MOST IMPORTANT STRATEGIC CENTERS IN THE WORLD TODAY. HE WAS ON HIS WAY TO DIEGO GARCIA TO LOOK AT THE SITUATION THERE. ESTABLISHING A BASE THERE HAD BEEN AN EXCELLENT MOVE, HELPED BY THE BRITISH. LEE SAID THAT THE BRITISH HAD HANDLED THEIR WITHDRAWAL FROM EAST OF SUEZ VERY SKILLFULLY. THEY COULD HAVE JUST PULLED OUT, BUT THEY HAD GIVEN SINGAPORE TIME TO BUILD UP ITS OWN FORCES AND TO REACH A LIVE-AND-LET-LIVE ARRANGEMENT WITH ITS NEIGHBORS. INDONESIA HAD SIZED UP SINGAPORE AS NO THREAT BUT ALSO AS NO WALK OVER. MALAYSIA HAD ALSO CONCLUDED THAT THE TWO COUNTRIES SHOULD LIVE WITH EACH OTHER. BY THE MANNER IN WHICH THEY HAD LET THE UNITED STATES INTO DIEGO GARCIA AND HAD DISMANTLED THEIR BASES IN THE SOUTH ATLANTIC, THE BRITISH HAD SHOWED THAT THEY WERE AN IMPERIAL SYSTEM WITH INTELLIGENCE. THE BRITISH MIGHT HAVE LOST THEIR MUSCLE, BUT THEY WERE ABLE TO THINK.

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17. RESPONDING TO A COMMENT BY SENATOR GOLDWATER CONCERNING PRESIDENT REAGAN'S FAR-SIGHTED APPROACH TO WORLD PROBLEMS, LEE SAID THAT HE WAS AN ADMIRER OF THE PRESENT US ADMINISTRATION, IN PARTICULAR THE WAY IT HAD RESTORED AMERICAN CONFIDENCE AND SENSE OF PURPOSE. NEVERTHELESS, IT COULD BE IN FOR A TOUGH TIME. AS MUCH AS GORBACHEV MIGHT WANT TO CONCENTRATE ON ECONOMIC PROBLEMS, HE WOULD BE ACTIVE IN OTHER AREAS AS WELL. SENATOR GOLDWATER FELT THAT US ECONOMIC PROBLEMS WERE IN RELATIVELY GOOD SHAPE FOR THE NEXT THREE OR FOUR YEARS, BUT THERE WOULD BE TROUBLE IF THE US DID NOT ATTACK THE DEFICIT. IF WE COULD SHOW THAT WE WERE MAKING PROGRESS, WE COULD MOVE VERY RAPIDLY. WHEN WE WERE STRONG, THIS AFFECTED OTHER PEOPLE TOO.

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18. GENERAL QUINN NOTED THAT HE HAD VISITED SINGAPORE IN 1938. THE CITY HAD LOOKED LIKE A VILLAGE THEN, WHILE IT NOW LOOKED LIKE MANHATTAN. LEE SAID THAT THE MORE SINGAPORE PROGRESSED, THE RISKIER IT GOT. IT WAS BEING DRAWN INTO AN EVEN TIGHTER NEXUS WITH THE REST OF THE WORLD. IF THE REST OF THE WORLD DID BADLY, SINGAPORE COULD BE REALLY HURT SINCE ITS DEPENDENCE ON THE WORLD (I.E. ITS

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FOREIGN TRADE) REPRESENTED 300 PERCENT OF ITS GNP.
SINGAPORE AND THE WORLD NEEDED EACH OTHER. THE
WORLD NEEDED PLACES LIKE SINGAPORE TO PROVIDE BANKING,
INSURANCE, COMMUNICATIONS AND SHIPPING SERVICES.
REGIONAL CENTERS OF THIS SORT WERE DESIRABLE. FOR
EXAMPLE, SHIPS COMING INTO THE STRAITS COULD ALERT
SINGAPORE OF THEIR ARRIVAL SIX HOURS IN ADVANCE AND
OFF-LOAD HUNDREDS OF CONTAINERS IMMEDIATELY UPON
ARRIVAL. THESE CONTAINERS MIGHT THEN ENCOUNTER
LENGTHY DELAYS BEFORE THEY COULD BE SHIPPED TO
VARIOUS RIVER PORTS. IF THE CONTAINERS COULD NOT
BE OFF-LOADED IN THIS FASHION, THE SYSTEM MIGHT
FREEZE UP.

ROY
END OF MESSAGE

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